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Comptroller

JUN 24 1952

Assistant Director for Research and Reports

Request by Department of State for Additional Funds for FY 1952
NIS Program

REFERENCE: Letter to Comptroller, CIA, from Chief, Division of Budget,
Department of State, dated 10 June 1952.

25X1A1a 1. The following comments, requested by Mr. Hollihan of the Budget
Division, pertains to the request by the Department of State for an
additional allocation [REDACTED] during fiscal year 1952 for administrative
support of NIS activities.

2. Favorable consideration of the request by CIA would appear to
be justified on the basis of the supporting data presented by State.
However, in considering the merits of this request, it is felt that note
should be taken of the fact that with only one week remaining in fiscal
year 1952, the Department of State is in default on over 55% of its
production commitments for this fiscal year. Further, the average cost
per section of State produced NIS has increased approximately 75% over
the average cost per section in fiscal year 1951.

3. The attached tabulation reflects the Department of State's NIS
commitments, production accomplishments, and the average cost per
section of State produced NIS from 1949 to date. It will be noted that
despite serious defections State appeared to be making some forward
progress during fiscal years 1950 and 1951, but the showing in fiscal
year 1952 is such that it raises a question as to whether State's
efforts during the past year have been commensurate with the support
which CIA has afforded the State NIS Program.

4. In the circumstances, it is recommended that favorable consider-
ation be given to the request for additional funds for FY 1952 only if
the Department of State gives assurance that the conditions responsible
for the present situation are corrected, and agrees to meet future
production schedules in full.

RM
ROBERT AMORY, JR.

2 Encl.

1. Reference letter with attachments
2. NIS Production - State Department

ORR:D/B:RHB:btc (23 June 1952)

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JUN 23 1952
AS/RR 49